

# M e m o r a n d u m

To: Panel Members

Date: June 25, 2004

From: Ruby Cohen, Manager

Analyst: R. Hernandez

Subject: ONE-STEP AGREEMENT FOR **REDWOOD REGIONAL MEDICAL GROUP, INC.**  
(SET)

## **CONTRACTOR:**

- Training Project Profile: SET-Workers Earning At Least State Avg Hrly Wage
- Legislative Priorities: Moving To A High Performance Workplace
- Type of Industry: Services
- Repeat Contractor: No
- Contractor's Full-Time Employees
  - Worldwide: 290
  - In California: 290
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## **CONTRACT:**

- Program Costs: \$64,766
- Substantial Contribution: \$0
- Total ETP Funding: \$64,766
- Total In-kind Contribution: \$130,877
  - Trainee Wages Paid During Training: \$127,977
  - Other Contributions: \$2,900
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Sonoma, Mendocino, Lake, And Napa

## **INTRODUCTION:**

Established by several Diagnostic Radiologists in the mid1960's, Redwood Regional Medical Group, Inc. (RRMG) maintains 13 offices/clinics, which provide medical and diagnostic imaging, medical oncology and radiation oncology services throughout Sonoma, Mendocino, Lake, and Napa counties in Northern California.

RRMG is eligible to contract with ETP for training Special Employment Training (SET) frontline workers who earn at least the state average hourly wage under Title 22 California Code of Regulations, §4409(a). The Company proposes to retrain 106 employees in the skills necessary to transition to a high performance workplace.

## **MEETING ETP GOALS AND OBJECTIVES:**

Redwood Regional Medical Group proposes training that will further the following ETP goals and objectives:

- 1) Provide a training program targeted for frontline workers earning high wages, well-above the ETP minimum. Training will provide workers secure employment in high-wage, high-skilled jobs, meeting ETP's legislation to develop the skills of frontline workers and to foster retention of high-wage, high-skills jobs.
- 2) Provide frontline workers with skills that prepare them for the challenges of a high performance workplace of the future.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job 1 Retrainee	Business Skills Computer Skills Continuous Improvement	106	40 – 120	10 - 20	\$611	*\$20.29 - \$52.88
					<b><u>Average Cost Per Trainee</u></b>	
					\$611	
<b><u>Health Benefits Used To Meet ETP Minimum Wage:</u></b>					<b><u>Turnover Rate</u></b>	<b><u>% Of Mgrs &amp; Supervisors To Be Trained:</u></b>
* Health benefits in the amount of at least \$2.00 per hour may be added to the trainees' wages to meet the statewide SET - ETP minimum hourly wage of \$20.29 per hour.					18%	0%
<b><u>Other Employee Benefits:</u></b> Life Insurance; Paid Time Off (combination sick and vacation time); 7 Paid Holidays (New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day) plus 2 Float Days; 401(k) and Profit Sharing.						

**COMMENTS / ISSUES:**

➤ **Frontline Workers**

All participants in this project meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee). The Company certifies that no senior-level managers or executive staff who set Company policy are included in the ETP training plan.

➤ ***Production During Training***

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

**PROPOSED ACTION:**

Staff recommends that the Panel approve this Agreement if funding is available and the project meets the Panel priorities.

**NARRATIVE:**

Over the last 40 years, RRMG has increased its patient base and grown to approximately 300 employees. According to RRMG Senior Executives, growth and expansion are a high priority. Recently RRMG merged with another radiology provider and increased its staff by 5 percent. In addition, two other ventures, which are under consideration, will increase staff by 15 – 20 percent.

As RRMG continues to grow, Company officials realize that staff need training and cross-training to equip them with the skills to transition to a high performance workplace. In order to make this transition, frontline workers must improve communication skills, customer service, and performance. Employees at each of the 13 facilities must enhance customer service, improve communication with customers and co-workers, learn presentation skills and how to handle conflicts, understand diversity and change, and improve project and time management. Many new employees do not have proficient computer skills and other employees need upgraded skills. Finally, each facility needs to implement a continuous improvement program to motivate and lead staff, manage change and meetings, instill team building skills, and improve performance.

Within the last year, RRMG has implemented a training department whose goal is to empower employees and provide the skills to effectively fulfill their job duties with competence and confidence. After completing a training needs analysis, it was determined to target the following specific areas.

**NARRATIVE: (continued)**

Business Skills training will be provided to all trainees. All frontline staff will receive Project Management, Customer Service, Communication, Time Management, Presentation Skills, Diversity Awareness, Conflict Management Training, and Understanding Change. These skills are necessary as the Company transitions to a high performance workplace.

Computer Skills training will include Microsoft Office Suite 2000 XP. These desktop applications will enhance the trainees' professional skills. Desktop applications are new to approximately 50 percent of the employees. The remaining staff will receive upgraded computer skills training. This training is necessary to support employee growth and the ability to enhance work performance.

Continuous Improvement training includes Team Building, Leadership, Motivation, Conflict Management, Meetings, Managing Change, and Performance Management. Directors and leads require this training because they are the point of contact in their respective departments. Continuous improvement training will enable them to lead staff, plan, evaluate and monitor projects, and implement a high performance workplace.

### ***Supplemental Nature of Training***

State law requires that ETP funds be used to supplement, rather than displace, funds available through existing programs conducted by employers and government-funded programs.

According to Company representatives, training currently provided includes mandated safety training, new-employee orientation, and government compliance training. The training is provided through video training, computer-based training, and on-the-job training.

Company officials certify that the training included in this project is new and will enable the proposed Contractor to attain its goals to increase business growth, improve customer service, and transition to a high performance workplace. Since Company resources are limited, the proposed training in scope and size would not occur without ETP funds. The Company is committed to an ongoing investment in training and will continue to provide training for employees for an estimated annual expenditure of \$100,000.

### **SUBCONTRACTORS:**

None

### **THIRD PARTY SERVICES:**

Third parties have not and will not be used to provide services.

REDWOOD REGIONAL MEDICAL GROUP

MENU CURRICULUM

<u>Class/Lab Hours</u>	<u>CBT Hours</u>
40 – 120	10 - 20

Trainees will receive training in any of the following modules and topics:

Business Skills

- Project Management
- Customer Service
- Communication Skills
- Time Management
- Presentation Skills
- Diversity Awareness
- Conflict Management
- Understanding Change

Computer Skills

- Microsoft Office Suite 2000/XP

Continuous Improvement

- Team Building
- Leadership
- Motivation
- Conflict Management
- Meetings
- Managing Change
- Performance Management